

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF GARY AND MARILYN) APPEAL NO. 06-A-2144
RASMUSSEN from the decision of the Board of Equalization of) FINAL DECISION
Madison County for tax year 2006.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 25, 2006, in Rexburg, Idaho, before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellant Marilyn Rasmussen appealed with Attorney Greg Moeller. Chief Deputy Assessor JaNele Gutke, Appraiser Angie Allen, Appraiser Gary Shewey and Attorney Karl Lewies appeared for Respondent Madison County. This appeal is taken from a decision of the Madison County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP05N39E011215A.

The issue on appeal is the market value of residential property and its equity with other residential property.

The decision of the Madison County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land valuation is \$13,125, and the improvements' valuation is \$177,329, totaling \$190,454. Appellant requests the land value be reduced to \$12,500 and the improvements' value be reduced to \$153,757 for a total of \$166,257.

The subject property is a single family residence located on one acre in Madison County.

Appellant claimed subject is not assessed comparably with other properties, and maintained the assessment is excessive.

Subject was recently assessed for \$190,454. The 2,685 square foot residence was previously appraised in the \$150,000 range. According to Appellant the current increase in assessed value was greater than in prior years. Appellant's Exhibit 3 was a copy of the 2006 assessment notice indicating an increase of approximately \$40,000 from the prior year.

Appellant also presented a photograph of subject and copies of county records concerning the property. The information included a history of the assessed value of subject from 1999 to 2006, and the increases from \$130,258 to the current assessment of \$190,454.

Appellant claimed subject is not assessed comparably with other properties, and maintained the assessment is excessive. The County did not explain the inequities

Appellant maintained comparable homes in Madison County were assessed from \$30,000 to \$40,000 less than subject. There was a lack of equity in the assessments of similar properties.

Appellant does not believe the 2006 increase was warranted because the subject is not located in a prestigious neighborhood. The majority of the homes in subject's neighborhood are old farm homes, built in the 1950's through the 1970's. There are about 12 homes located within a 1½ mile area. Appellant maintained the surrounding properties are not comparable to subject, and subject is superior.

Appellant submitted copies of county records for several properties considered comparable to subject. The residences were built between 1991 and the present. Appellant described the properties and locations in comparison to subject. Several of the comparable properties are located in more desirable areas.

Property	Appraisal Year	Year Built	Square footage	2006 Assessed Value
Subject	2004	1991	2,685	190,454
	2005	1994	3,040	156,704
	2005	1991	2,831	148,877
	2005	1993	2,438	150,700
Better Location	2002	1992	3,456	198,995
Better Location	2005-2002	1992	2,940	182,779
Remodeled	2004	1988	1,978	154,528
New Home	2006	2005	2,274	167,005
	2005	2004	3,069	188,870

	2004	1992	2,419	162,365
Better location	2005-2002	1994	2,568	172,323
Better Location	2005	1992	3,302	164,308

Appellant concluded these residences are either larger and newer than subject, or both, however most are assessed for less than subject. Appellant noted the comparable properties could be assessed too low, in relation to market value.

Appellant believed subject was valued by methods other than recognized appraisal techniques. Respondent noted the statutory requirement is market value arrived at through recognized appraisal techniques.

The County Appraiser explained subject was appraised by a contract appraiser in 2003. The assessed value at that time was \$150,607. Since then, positive trends have been applied to the assessed values of residential properties to be in line with current market value. The State Tax Commission conducts ratio studies which compare assessed values to sale prices within counties to gage whether the assessed values were within 90% to 110% of market value. Subject 's 2005 assessed values were trended upward between 127% and 130% along with all other property that had not been physically appraised.

In reference to Appellant's comparable assessments, the record indicated all had been trended with the exception of one property designated as new construction.

The Appraiser explained sale verifications and multiple listing sales were entered into the computer and compared to assessed values. From this analysis any required trends were determined. The Appraiser noted values were increasing so quickly assessed values could not keep pace. Consequently about 80% of the residential property was trended.

Appellant compared subject to a newly constructed residence that was assessed \$23,000 less than subject. Without the County records being available at hearing, the Appraiser could not explain the differences in assessed values. The County did not present any comparable

sales analysis to support the assessed value of subject. The County appraisal field sheets for three properties and the subject were submitted, along with listing prices.

Respondent maintained the assessed value of subject was based on recognized appraisal techniques. The positive trend of 127% to 130% was applied to the previous assessed value of subject, as well as other residential properties in Madison County.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Subject's assessed value increased as a result of application of positive trends to the assessed values of residential property of between 127% and 130%. Appellant demonstrated where it appears the assessment of subject was excessive in comparison to other property assessments.

The County offered no sales to support the increase in subject's assessed value. No information was submitted to support the trend applied to subject and other property.

The statutory requirement in Idaho is market value for all taxable property. An analysis of comparable sales and comparing the sales to the subject property is typically the best way to determine market value of residential property.

To support the inequity claim, Appellant presented some examples of discrepancies in the assessments when compared to subject. There were a number of comparisons and we believe them to be a good representation of the claimed inconsistencies.

The County noted the comparisons presented by Appellant were trended also, but could not support the differences in assessed values between the comparison properties and subject.

No basis or support was presented for any positive trends applied to the subject 2005 assessment.

Uniformity in taxing implies equality in the burden of taxation, which cannot exist without uniformity in the mode of assessment as well as in the rate of tax. *The Senator, Inc. v. Ada County Bd. of Equalization*, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). *Senator* citing *Chastain's, Inc. v. State Tax Comm'n.*

The burden of proof [now preponderance] lies with the party challenging the assessment to show . . . that he is entitled to the relief claimed. *Senator; Idaho Power Co. v. Idaho State Tax Comm'n.*, – Idaho --, 109 P.3d 170 (2005); *Mitchell v. Bd. of Equalization (in Re Troy G.)*, 138 Idaho 52, 57 P.3d 763 (2002). Idaho Code § 63-511(4).

In this case, the Board was persuaded there were significant irregularities between the compared assessments presented and the subject assessment.

Therefore, the decision of the Madison County Board of Equalization is reversed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Madison County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed lowering the assessed value of the land to \$12,500 and the improvements value to \$153,757 for a total value of \$166,257.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 27th day of April, 2007.